



# City Council Memorandum

*City of Arts & Innovation*

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 21, 2021

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT WARDS: 1 AND 7

SUBJECT: TERMINATION OF THE AGREEMENT WITH EXPOSHOWS, INC. FOR TWO DISTINCT FOURTH OF JULY FIREWORK DISPLAYS, IN THE AMOUNT OF \$198,000, FOR THE TERM OF APRIL 1, 2021 THROUGH JULY 5, 2024, DUE TO BREACH OF CONTRACT

## **ISSUE:**

The issue for City Council consideration is termination of the agreement with Exposhow Inc. of Santa Monica, California, in the amount of \$198,000 for the term of April 1, 2021, through July 5, 2024, due to breach of contract.

## **RECOMMENDATIONS:**

1. That the City Council terminate the Services Agreement with Exposhow Inc. for two distinct pyrotechnic shows covering the period of June 1, 2021, through July 5, 2024, with a contract price of \$198,000 ("Agreement"), due to breach of contract.
2. Authorize the City Manager, or his designee, to issue a written notice of termination to Exposhow Inc. pursuant to the terms of the Agreement.

## **BACKGROUND:**

Since 1996, firework displays have been a staple of Riverside's Fourth of July celebration, with shows at both La Sierra Park and on top of Mt. Rubidoux. Over the years, the firework shows have drawn more than 100,000 families each year from all over the Inland Empire. In response to the Novel Coronavirus (COVID-19) pandemic, the 2020 firework shows were cancelled.

On March 23, 2021, City Council approved to move forward with the 2021 firework shows at La Sierra and Ryan Bonaminio Park. Their approval was contingent upon the County of Riverside's continued decrease of COVID-19 cases, and the State's improved Tier level.

On June 4, 2021, City Council approved the award for Request for Proposal (RFP) No. 7817 for pyrotechnic services for the Fourth of July fireworks shows to Exposhow Inc.

## **DISCUSSION:**

On January 25, 2021, the Parks, Recreation and Community Services Department (PRCSD) posted RFP No. 7817, for the Fourth of July Pyrotechnic Services, on the City's website. Proposals were due on February 9, 2021. One proposal was submitted by Exposhow Inc. After review and evaluation, Exposhow Inc. was deemed responsive. After undergoing negotiations Exposhow Inc. proposed the following locations: La Sierra Park, Ryan Bonaminio Park, and Mt. Rubidoux for the terms of the agreement and subsequent years.

On June 8, 2021, City Council approved that certain Services Agreement for two distinct pyrotechnic shows covering the period of June 1, 2021, through July 5, 2024, with a contract price of \$198,000 ("Agreement").

On July 4, 2021, after several hours of setting up fireworks at Ryan Bonaminio Park, the Exposhow Inc. crew notified PRCSD staff that they were the only crew deployed by Exposhow Inc. and would need the balance of the day to complete the remaining work at Ryan Bonaminio Park and, as a result, would not provide the agreed upon pyrotechnic services to the La Sierra Park location. The PRCSD had expended \$9,322 for the preparation of the La Sierra Park location; expenses included personnel, fire inspection, fencing and traffic management services. The last-minute cancellation of the show created a financial burden on the Department and prevented residents from viewing the show, as the Ryan Bonaminio Park fireworks show had a limited capacity. PRCSD historically provides two shows to promote accessibility to all residents across the City.

On August 9, 2021, the City Attorney's Office sent a formal letter to Exposhow Inc. notifying Exposhow Inc. that it was in breach of the Agreement and demanding payment for the \$9,322 in expenses for the La Sierra show preparations.

The PRCSD requests City Council terminate the Agreement, effective upon five (5) calendar days' written notice pursuant to Section 12 of the Agreement, and authorize the City Manager or his designee to issue a written termination notice to Exposhow Inc. Exposhow Inc.'s material breach of the contract resulted in a completely unexpected, last-minute, cancellation of the July 4 Fireworks show at La Sierra Park. Following Exposhow Inc.'s failure to perform the Agreement, Exposhow Inc. has been completely unresponsive to City attempts to contact them. The Department will issue a new Request for Proposal for pyrotechnic services to seek a provider who has the resources to provide both shows.

The City Attorney concurs with this report.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to the Envision Riverside 2025 City Council Strategic Priority 1 – Arts, Culture and Recreation and Goal 1.2 enhance equitable access to recreational services offerings.

This item aligns with each of the five Cross-Cutting Threads as follows:

- a) **Community Trust** – The cancellation of the agreement allows the department to seek a service provider that is reliable which maintains community trust. The last-minute cancellation of the show negatively impacted many residents who routinely view the show

from the La Sierra Park location.

- b) **Equity** – A reliable provider that can provide services at both locations serves a larger geographical population of the City.
- c) **Fiscal Responsibility** – Cancellation of the agreement ensures public funds are expended on a reliable provider and services desired by the public are provided.
- d) **Innovation** – Cancellation of the current agreement and seeking a different service provider ensures that future shows will be provided as agreed upon.
- e) **Sustainability & Resiliency** – The Fourth of July Firework Shows are the most highly attended PRCSD events. Partnering with a reliable service provider allows the City of Riverside to provide in demand events to residents for future years.

### **FISCAL IMPACT:**

The total fiscal impact to the General Fund is \$9,322 for preparation of the cancelled show. Exposhow, Inc. was paid a deposit of \$12,375 for the La Sierra Park fireworks show and \$12,375 for the Ryan Bonaminio Park fireworks show. The balance of \$12,375 due for the Ryan Bonaminio Park show will not be issued, due to the cancellation of the La Sierra Park Show. The deposit issued for the La Sierra Parks Show covers the remaining balance of \$12,375.

Prepared by: Randy McDaniel, Interim Parks, Recreation and Community Services Director  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

### **Attachments:**

1. Executed Agreement with Exposhow, Inc.
2. City Attorney's Office Letter to Exposhow, Inc.